



Coastal
The Energy People

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DIVISION OF
OIL, GAS & MINING

December 16, 1991

Dr. Dianne R. Nielson, Ph.D.
Division Director
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

RE: Flume Installation Amendment

Dear Dr. Nielson:

Utah Fuel Company is currently monitoring the flows in tributaries of Huntington Creek, as authorized in a permit amendment by DOGM on August 15, 1991.

Skyline proposed monitoring these drainages, because mining was progressing under them in 1991, and further information documenting the effects, or lack of effects, on surface flows would be beneficial.

As a result of this amendment, the Forest Service has sent two letters to the Division addressing the determination of perennial streams, and their concerns about mining under perennial streams. The Forest Service has further stated that approval has not previously been granted to mine under perennial streams, and for such mining to take place specific approval is required.

The issue of mining, and resulting subsidence in Utah Fuel Company's leased area, as it relates to streams, has been previously addressed by both the Division and the U.S. Forest Service. Three perennial streams which cross or border the permit area have been identified by the U.S.F.S. to be protected in our permit. These streams are the main drainage channel of Huntington Creek, Bolger Creek and the south fork of Eccles Creek, and were specifically located on a map included in our 1989 permit renewals. This identification was agreed to, and approved, as part of our mining plan. As a result of that action, Utah Fuel has proceeded to develop the permitted area with a mining plan which protects the designated streams. However, other smaller drainages tributary to Huntington and Eccles Creeks exist within the permit area. It is two of these drainages which are the subject of the monitoring amendment to the mine plan. Utah Fuel Company is currently longwall mining under these drainages in accordance with previously coordinated and approved plans.

Utah Fuel Company

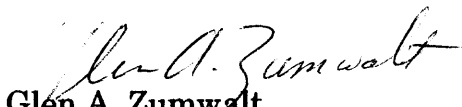
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We recognize our permit amendment approved August 15, 1991, contained language pertaining to mining under perennial streams which was beyond the scope or intent of the amendment. The amendment's sole purpose was to establish water flow monitoring to determine effects of mining, and not to expand Utah Fuel's authority to mine under or subside perennial streams. Therefore, we plan on revising the language in our MRP to reflect our intent by the end of the month.

We proposed the stream monitoring because we believe it to be a prudent ingredient in determining the effect of mining on small water flows. With this and other information, Utah Fuel Company believes the surface stream flows, and their associated values can be protected.

We appreciate the Division's help in reconciling this matter.

Sincerely yours,


Glen A. Zumwalt
Vice President/General Manager

cc: George Morris, U. S. Forest Service
Roger Zortman, Bureau of Land Management, Moab